

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 335

February 24, 2011

SUMMARY OF BILL: Requires the Tennessee Board of Regents (TBR) and University of Tennessee (UT) institutions to verify, beginning in the fall 2012 semester, that all student applicants are lawfully present in the United States. Directs TBR and UT to use existing resources to implement the verification program when possible and authorizes increased or new fees if current resources are insufficient.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$931,000/Recurring/FY12-13 and Subsequent Years

**Increase State Expenditures - \$220,000/One-Time/FY12-13
\$1,037,000/Recurring/FY12-13 and
Subsequent Years**

Assumptions:

- Based on the number of employees and the number of students being verified each year within the TBR system and the specified UT campuses, the recurring increases to fee revenue are estimated to be \$803,000 for TBR and \$128,000 for UT. The total recurring increase to state revenue is estimated to be \$931,000 (\$803,000 + \$128,000).
- UT and TBR will require 31 new positions (24 for TBR and seven for UT) for verification of student immigration status using the Systematic Alien Verification for Entitlements (SAVE) federal program, data collection, and record keeping.
- UT and TBR will hire the 31 employees at an annual cost of \$32,000 (\$25,000 salary and \$7,000) benefits) per employee. The recurring increase to state expenditures for the new positions is estimated to be \$992,000 (31 employees x \$32,000).
- According to UT and TBR, approximately 75,000 students will be screened each year at a cost of \$0.50 per student. Approximately 5,000 of these students will be rescreened at an additional cost of \$1.50 due to erroneous results. The annual cost for initial screening is estimated to be \$37,500 (75,000 x \$0.50). The annual cost for rescreening is estimated to be \$7,500 (5,000 x \$1.50). The total annual verification cost is estimated to be \$45,000 (\$37,500 + \$7,500).
- The total recurring increase to state expenditures is estimated to be \$1,037,000 (\$992,000 + \$45,000).
- The TBR system, UT-Knoxville, and UT-Martin will offset increased expenditures with

increased student fees. UT-Chattanooga and the UT Health Science Center will offset increased expenditures by reducing expenditures in academic support services in lieu of raising student fees.

- A one-time increase to state expenditures of \$120,000 for office set-up, training, and computer equipment.
- UT will use outside consultants at four sites to develop new software to fully interface the existing computer system with the SAVE system. Cost per site is estimated to be \$25,000. The one-time increase to state expenditures for software consultants is estimated to be \$100,000.
- The total increase to one-time state expenditures is estimated to be \$220,000 (\$120,000 + \$100,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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